

Palm Springs Business Transition & Re-Entry Task Force

December 30, 2020



Agenda:

- Review City's investments in tourism to promote local businesses
- Review steps City has taken to support local businesses during the COVID-19 pandemic
- Review available federal/state and other City programs
- Discuss alternatives for additional support to City businesses



- Palm Springs has consistently invested significant funds to support the City's local businesses by increasing tourism.
- The last fiscal year 2019-2020, a total of \$19,280,000 was invested in various programs and operations to drive the City's local tourism economy
- This represented 18% of the City's total General Fund operating budget of \$109,200,000



Summary of Overall Tourism Investments

The following Table summarizes the City's annual investment in all areas of Tourism using FY 2019/2020 budgeted appropriations:

| Element | Annual Funding (Rounded) |
|------------------------------------|---------------------------------|
| Convention Center Debt Payment | \$4,700,000 |
| Convention Center Lease Payment | \$300,000 |
| Convention Center Operations | \$1,500,000 |
| Hotel Operations Incentive Program | \$3,300,000 |
| Downtown Redevelopment | \$3,200,000 |
| Downtown Security/Police Patrol | \$900,000 |
| Bureau of Tourism Operations | \$2,300,000 |
| CVB Membership | \$600,000 |
| PS Resorts | \$670,000 |
| Golf Fund Subsidy | \$1,810,000 |
| TOTAL ANNUAL INVESTMENT | \$19,280,000 |

This City's overall investment in Tourism represents nearly 18% of the total FY 2019/2020 General Fund budget of \$109,148,100 (excluding budgeted transfers out of \$11,993,900).



| <u>CITY</u> | <u>TOURISM BUDGET</u> | <u>GENERAL FUND</u> | <u>% OF BUDGET</u> |
|-----------------------|-----------------------|-----------------------|--------------------|
| • Cathedral City | \$ 701,113 | \$ 50,160,71 | 1.4% |
| • Coachella | \$ 137,639 | \$ 25,893,251 | 0.5% |
| • Desert Hot Springs | \$ 172,450 | \$ 8,439,850 | 2.0% |
| • Indian Wells | \$ 912,698 | \$ 17,149,552 | 5.3% |
| • Indio | \$ 1,067,725 | \$ 91,523,422 | 1.2% |
| • La Quinta | \$ 1,293,100 | \$ 55,638,500 | 2.3% |
| • Palm Desert | \$ 1,264,500 | \$ 60,627,888 | 2.1% |
| • Rancho Mirage | \$ 1,487,043 | \$ 37,778,596 | 3.9% |
| • Palm Springs | \$ 19,280,000 | \$ 109,148,100 | 18% |



Steps the City has taken to assist local businesses:

- Passed local Emergency Orders to keep City businesses and workers safe, including face mask requirements
- Developed and implemented a face mask and social distancing campaign, and “Shop Local” campaign
- Passed one of the strongest eviction moratorium ordinances in the state to protect residential and commercial tenants



- Dedicated code enforcement staff and Police patrol to proactively enforce face mask order – issued citations
- Coordinated with local ABC prior to state’s administrative regulations to allow outdoor sale of alcohol
- Waived fees and dedicated staff to reviewing and issuing 75 land use permits for outdoor dining and “parklets” – saving businesses \$114,000 in fees
- Paid rental fees of \$45,000 for concrete k-rails for “parklets”



- Closed Palm Canyon Dr. at request of restaurants
- Reopened Palm Canyon Dr. at request of retailers
- Assisted businesses to apply for PPP and EIDL, and connected with Riverside County funding opportunities
- Developed and presented workshops and webinars with businesses to assist with accessing available resources
- Convened and held weekly task force meetings with local business stakeholders



- Created with Palm Springs Chamber and Hilton Hotel a discount PPE program, with Main Street developing education campaign and distributing PPE to businesses
- Passed a local ordinance limiting Postmates and other third party fees on delivery of food after receiving a request from concerned restaurants
- Funded, developed and ran several campaigns with City's Bureau of Tourism to promote shopping and dining local, take out, ordering retail online, etc.



Federal / State Programs:

- New COVID Relief Bill – New PPP Round 2 Program
 - \$284 billion available
 - PPP loan is excluded from gross income AND financed costs can be included in tax deductible business expenses
 - Available if gross receipts declined at least 25% during 1st, 2nd, or 3rd quarter of 2020 compared to 2019



- New COVID Relief Bill – New PPP Round 2 Program
 - Loan up to 2.5 times monthly payroll costs, or 3.5 times for hotel / food service businesses
 - Eligible expenses include payroll and non-payroll (mortgage, rent, lease, utilities), but expanded to include business software / cloud computing service costs, supplier costs for goods essential to business operations, and worker protection equipment in compliance with OSHA regulations



- New COVID Relief Bill – New PPP Round 2 Program
 - Businesses can choose loan forgiveness period of 8 to 24 weeks
 - Simplified PPP loan forgiveness applications for loans less than \$150,000 – 1 page and only requires borrow certifications



- New California Small Business COVID-19 Relief Grant Program – go to: <https://careliefgrant.com>
 - 2 Rounds of \$237.5 million each
 - Grants of \$5,000 to \$25,000 based on gross revenue:
 - ✓ \$1,000 to \$100,000 = \$5,000 grant
 - ✓ \$100,000 to \$1,000,000 = \$15,000 grant
 - ✓ \$1,000,000 to \$2,500,000 = \$25,000 grant



- Round 1 opens TODAY 12/30/20 through 01/13/21
- NOT “1st come / 1st served” – awards based on program priority factors
- Applications submitted through local partner organizations
- Partners will provide technical assistance to business owners for application preparation and online submission
- Riverside County Partners available online at:
<https://careliefgrant.com/partner/riverside/>



➤ Local Partner Organization is:

- ✓ **Coachella Valley SBDC**
- ✓ **44-199 Monroe St., Ste B, Indio**
- ✓ **760-848-4096**
- ✓ **Email: cvsmbusiness@ociesbdc.com**
- ✓ **Web: <http://coachellavalleysbdc.org/>**



➤ Online Application Process also available through Economic Resources Corporation

➤ Go to: <https://erc.mylendistry.com/grant>



➤ Eligibility Requirements:

- ✓ Small business = gross revenue of less than \$2.5 million
- ✓ Operating since June 1, 2019 and currently operating or have a clear plan to re-open once State allows opening
- ✓ Must provide business documents: 2018 or 2019 tax returns, official business filings with Secretary of State, City business license



➤ Eligible Expenses:

- ✓ Employee payroll and health care costs
- ✓ Working capital and overhead
- ✓ Business re-opening costs
- ✓ Safety measures, PPE supplies, testing, training
- ✓ Other COVID-19 related expenses not covered by other federal, state or county programs



- Selection of grant recipients based on:
 - ✓ Businesses located in areas most impacted by COVID-19 (i.e. purple tier regions with longest shut down)
 - ✓ Businesses impacted most financially based on gross revenue
 - ✓ Certain impacted business (retail, food and hospitality, health and wellness, personal care)
 - ✓ Women-owned, minority-owned, or veteran-owned and located in Low-to-Moderate Income community



Other City Programs

- Palm Desert – Emergency Relief Loan Program
 - ✓ \$500,000 available for 100 loans of \$5,000 each
 - ✓ 1st come / 1st serve basis
 - ✓ 0% interest, no repayment unless terms are violated
 - ✓ Only eligible to businesses closed due to state/regional order issued Dec. 7



Other City Programs

➤ La Quinta – Emergency Relief Grant Program

- ✓ Approx. \$1,000,000 available
- ✓ Limited application – 12/18 to 1/25
- ✓ Grants up to \$10,000 for approved business related expenses
- ✓ Qualifications based – requiring profit/loss statements for 2019 and 2020



Palm Springs Program:

- City assistance with application process for new Federal and State assistance programs (these are the programs that can offer the most direct financial aid)
 - a. Hotline / designated email: **760-323-8273; PSAdvisor@palmspringsca.gov**
 - b. Access to free accounting services
 - c. Staff dedicated to advocacy
- City Assistance Program – for those businesses who do not qualify under the Federal/State programs, a proposal to set up a City Fund for grants/forgivable loans



Open discussion on Palm Springs Local Business Relief Program

- Forgivable loan or grant?
- Amount?
- Limited to businesses that can not apply for new PPP or California Relief Grant Program?
- Other ideas?

